

A Proven Investment

Annual Report: 2004



Philadelphia Housing Authority
Building Beyond Expectations

A Proven Investment

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Can a public
housing authority...





raise revenue and
predictable funding,

build a wide
variety of

for a highly diverse
set of customers,

and sustain that
performance

year after year.

YES!

In 2004, PHA attracted more than \$48 million in private equity.

YES!

PHA's mixed-financing deals have sparked a housing renaissance and new private development across Philadelphia.

YES!

PHA runs a \$1 billion program sustained with growing private investment.



Messages

Chairman of the Board

At the beginning of my administration, we promised to focus on neighborhoods and the urgent need for decent, affordable housing. The Philadelphia Housing Authority has helped supply that need and become a national model for neighborhood transformation along the way.

The evolution of public housing in Philadelphia has been nothing short of phenomenal. Previously run-down properties have been transformed into modern, thriving and attractive developments. Housing units once referred to as the "housing of last resort" have become the most sought after housing in many neighborhoods.

Executive Director Carl Greene and his staff, with the full support of a committed board, have worked tenaciously in their mission. As a result, PHA has compiled an impressive track record that includes thousands of improved Section 8 units, rehabbed scattered sites and world-class new construction. This is possible with the aid of tens of millions of dollars in private investment.

We appreciate the investment community's confidence in PHA, but even more important is the trust the residents of PHA and the citizens of Philadelphia have placed in this Authority.

A housing boom is underway in Philadelphia. Market-rate and affordable housing are only recently being built simultaneously, and in many cases, side by side. PHA's affordable housing development started the renaissance and showed the way. Now, PHA is preparing to build market-rate and affordable housing simultaneously at two of our sites, Martin Luther King and Falls Ridge.

For me, nothing is more important than to raise the quality of life for the people of our City. I am convinced all Philadelphians agree; that's exactly the case in Philadelphia.

Thank you,



John F. Street, Esquire
Mayor
Philadelphia



Philadelphia Housing Authority
Building Beyond Expectations

Executive Director

There are many ways to measure the incredible progress PHA has made over the past several years. Probably the simplest way is to look at pictures of what PHA housing used to look like compared to how it looks today. You can also look at maintenance records, safety issues, customer satisfaction, technology, and so much more. All areas verify that PHA is a national leader in the development and management of high quality affordable housing.

But the biggest endorsement any company can receive is confidence in its product by private investors. That's why we are so proud to subtitle this year's annual report - PHA: *A Proven Investment*.

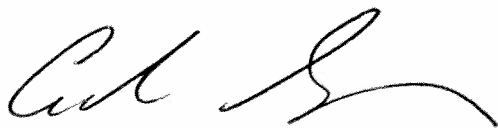
Financial institutions have watched our methods. They have seen us systematically rebuild our agency internally and then rebuild Philadelphia's neighborhoods. They have seen us use the flexibility granted us by the federal government under the Moving to Work program to become an innovative business, using methods and finding solutions formerly unavailable.

Where we once considered ourselves fortunate to have one major bank working with us, investment institutions now eagerly court our business. They know that when PHA commits to build a development, we will complete the project on schedule, lease it up on schedule and manage the property professionally.

We haven't forgotten our mission at PHA. We are as passionate as ever about making sure that families of low and modest income have the opportunity to live in the finest affordable housing in the nation. But we also know that the best way to produce and maintain that product is by consistently proving to investors that PHA is a reliable institution in which to place their dollars.

We have come a long way since those bleak days of the early 1990's when the agency had to be taken over by the federal government. We now stand in a position whereby our customers, the taxpaying public and private financial institutions can all agree: PHA is a proven investment.

Sincerely,



Carl R. Greene
Executive Director
Philadelphia Housing Authority

An Exceptional Business

Rebuilding Philadelphia's Neighborhoods

PHA's \$1 billion dollar investment plan for the city's neighborhoods is producing exciting results - both for our residents and our stakeholders.

The most thrilling development in the past year was the transformation of Tasker Homes into Greater Grays Ferry Estates in South Philadelphia. A total of 245 homes were completed in 2004, while another 309 homes will become reality when the second phase of this development is completed in January 2006.

Greater Grays Ferry Estates will offer homeownership opportunities to PHA residents as well as the public at-large. Up to 250, or almost half of these attractive new homes, will be offered for sale. It's a great way to get families anchored in a historic neighborhood that's close to Center City.

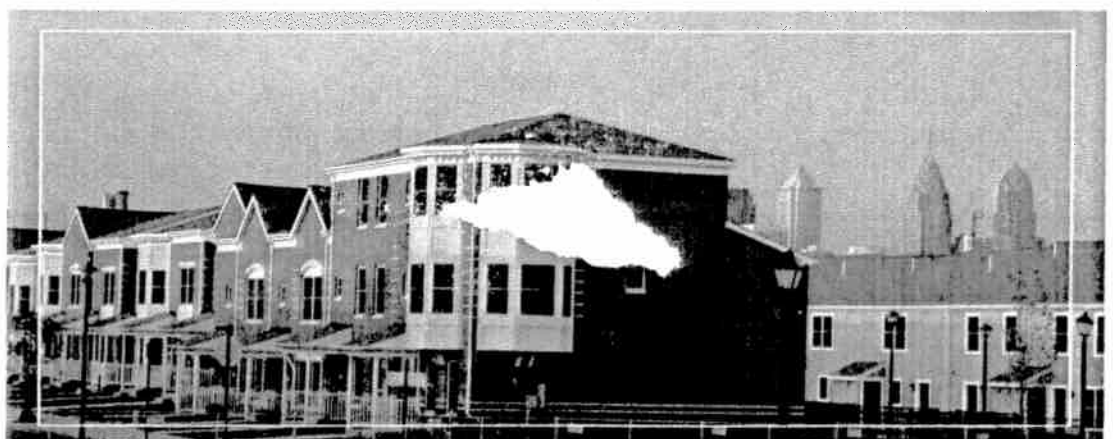
Another exciting development was the beginning of construction of the new Lucien E. Blackwell Homes in West Philadelphia. Eighty rental and 40 homeownership units will improve the look and feel of the Mill Creek neighborhood with all new units coming on line in 2005. The response to PHA's homeownership marketing for this new development has been tremendous. But that's just the beginning. The entire Mill Creek/Blackwell development will cover 17 square blocks and comprise 788 units by the end of 2006.

In North Philadelphia, we have completed the first two phases of the new Cambridge Plaza, and we expect to complete the final phase of this beautiful development in 2005. That's 124 new homes.

And, PHA also completed 117 new homes at scattered sites throughout North Philly, in addition to the new, state-of-the art John F. Street Community Center at the Richard Allen Homes.

The Philadelphia press acknowledged that successful affordable housing has prompted a real estate boom in North Philadelphia.

The new 40-acre suburban-style Greater Grays Ferry Estates development in South Philadelphia used \$89 million in general purpose government bonds and \$61 million in private activity bonds with 4% Low-Income Home Tax Credits.



Strategic Investing

Through successful mixed finance deals, PHA has overhauled Philadelphia's most distressed neighborhoods from the "project" system of the past. Over the past five years, PHA has transacted successful mixed finance deals with a significant increase in equity raised.

Strategic Investing Q&A

- ▶ Q: How much private investment did PHA attract in the past year?
A: \$48.7 million
- ▶ Q: How much in private investment has PHA attracted over the past five years?
A: More than \$150 million.
- ▶ Q: What is the rate of growth in private investment over the past five years?
A: More than 700%, up from \$6.6 million in 1999.

Mixed Financing In Play: Highlights

Cambridge Plaza, which replaced two outdated high-rise projects in North Philadelphia, totaled \$33.8 million from a combination of multiple funding sources including redirected voucher funds and tax credits.

The 247-unit, \$80 million Martin Luther King development near Center City was funded with \$15.5 million in private investment.



The 178-unit/\$46.5 million Phase Three of The Richard Allen Homes in North Philadelphia used \$11 million in tax credits. The development features a new 16,000 square foot community center.

Low Income Housing Tax Credits picked up \$10 million of the \$19.5 million development cost needed to transform Germantown House into a senior building of the future.



An Exceptional Business

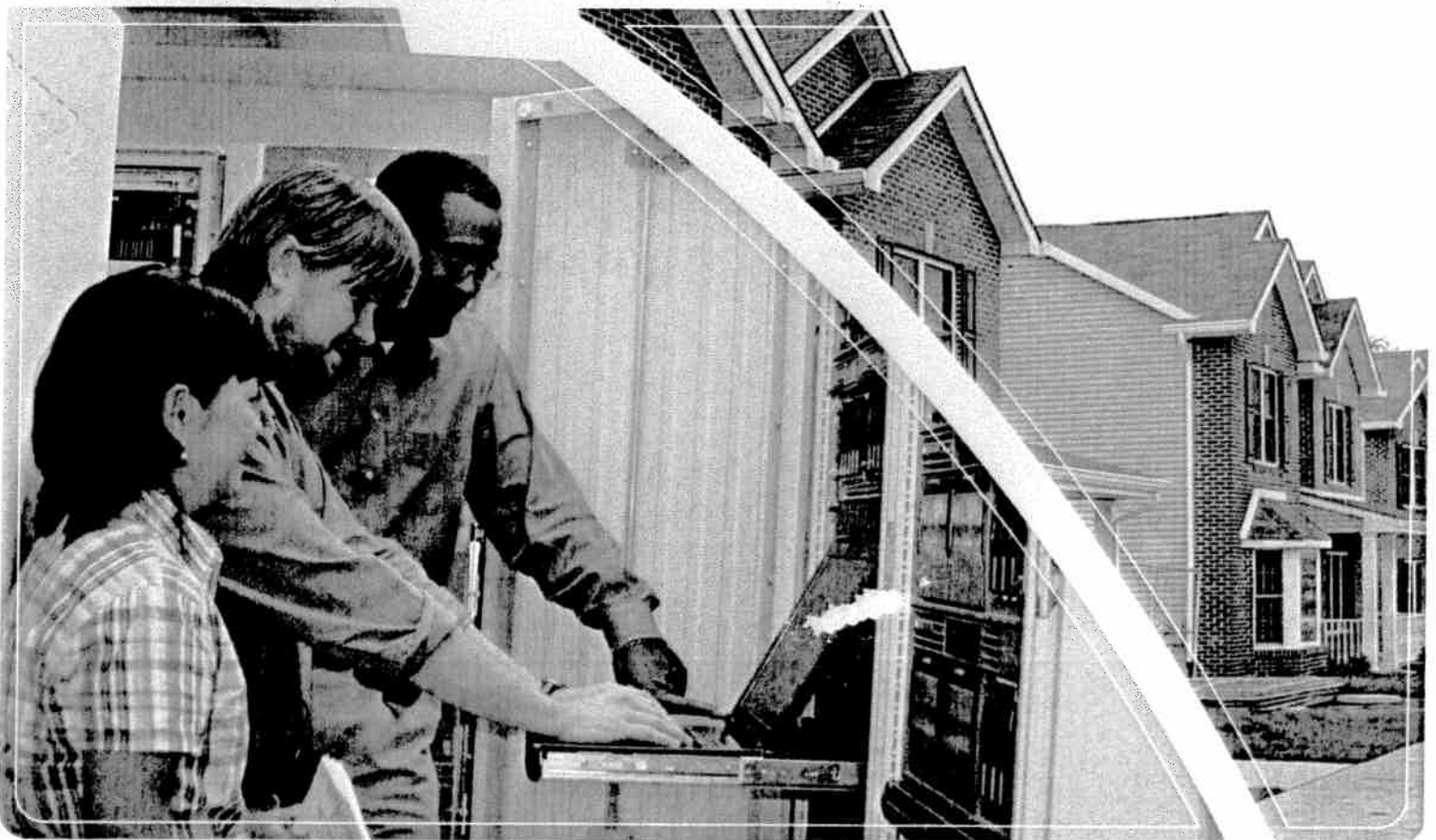
Private Sector Technology

Ramping Up and Cutting Costs

PHA is constantly improving its business methods to meet the highest standards in the real estate industry. By adopting private sector market values, we protect our investments and the interests of our stakeholders.

PHA stays focused on getting the job done right the first time through improved transactions. We utilize technology that streamlines functions and cuts costs across the board. And, our Information Systems Management (ISM) Department includes highly qualified programmers, technical support and networking staff who raise the bar daily in systems management.

Standard & Poor's has recognized PHA's "highly sophisticated technological capabilities," fortifying our position as a sound investment. In the past year, we further upgraded our systems to maximize the productivity, cost effectiveness and accountability of our operations.



System Upgrades

PHA utilizes the PeopleSoft suite of software to manage agency-wide operations. In 2004, PHA upgraded from PeopleSoft 7.5 Financial and Supply Chain Applications to version 8.8. This connected system processes actions taken on any project in real time.

Now, PHA reviews the full gamut of activities for each one of our 50-plus sites. From inspections to billing, purchase orders to budget management, the changes are delivering significant returns.

- ▶ **Project Based Accounting** itemizes all spending in real time. PHA asset managers can track spending and make adjustments without speculation.
- ▶ **Inventory levels** stand at 96% over 13 locations. The new system instantly locates an item and indicates whether it has been back ordered. Purchase orders are tracked up to the time of payment, so levels remain accurate.
- ▶ The system accelerates **Tenant Accounts** by expediting the billing and collection of millions of rent dollars.
- ▶ **Financial planners** track the balance sheet in real time, perform long-term planning and avoid cramming numbers at the end of the year.

PHA has also dramatically improved the productivity and cost effectiveness of its internal day-to-day operations with the installation of Customer Relationship Management (CRM) system software. In the past year, we have upgraded from version 8.8 to 8.9. CRM gives our employees a central location to access information, providing customers with the service and answers they need. This state-of-the-art system, also by PeopleSoft, is the industry standard in the private sector, and PHA is the first housing authority to use it.



An Exceptional Business

Excellence in Property Management

Investor confidence in PHA in large part derives from our proven excellence in property management.

PHA's core business focuses on providing high quality management and maintenance services to more than 30,000 customers. Our commitment to private sector management standards enables our consistent progress.

PHA's ambitious efforts to revitalize public housing have allowed hundreds of families to move into new apartments in the past year.

In 2004, PHA leased:

- 178 new units at Richard Allen Homes
- 44 new units at Cambridge Plaza
- 45 new units at Martin Luther King Plaza
- 135 new units at Falls Ridge
- 137 units at Suffolk Manor
- 161 new units at Mt. Olivet

During the past year, PHA:

- ▶ Completed rehabilitation of 296 previously vacant scattered site units and 833 Conventional site units.
- ▶ Completed relocation and leased up first 173 new units at Greater Grays Ferry Estates.
- ▶ Completed 100% of all emergency maintenance work orders within 24 hours of receipt.
- ▶ Achieved all Low-Income Housing Tax Credit (LIHTC) benchmarks.
- ▶ Implemented new streamlined procedures including quality control reviews. Trained in LIHTC Compliance and Niku Project Management, and the use of PeopleSoft applications.
- ▶ Continued to implement the Sparkle Plus program. PHA enhanced the appeal of its properties by upgrading lighting and installing new landscaping and signage, new bollards and decorative fencing, and new exterior doors and mailboxes.



Compliance, Reporting Accountability

Public confidence in PHA is critical to attracting and maintaining public and private investors. We remain committed to constant improvement in all areas of accountability and compliance.

Department of Housing and Urban Development (HUD) auditors have given us their seal of approval for internal controls and the integrity of our financial data.

PHA's efficiency is peaking; for example, we inspected 100% of all units for Housing Quality Standard compliance in the past year. We also completed the Annual PHA Audit with no new audit findings.

In addition, our Finance Department has put in place new quality control procedures to further enhance the accuracy and timeliness of our financial reporting and systems across the board. The new process ensures that our books are closed by the 7th business day of each month, with comprehensive reports generated by the 10th of each month.

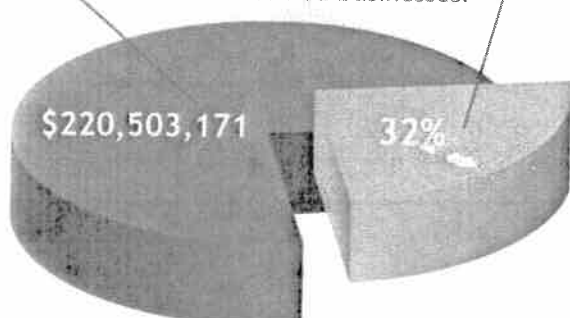
In the past year, we established a revised and extensive Strategic Operating Plan that is monitored monthly by PHA's Quality Department staff. The Plan incorporates goals, tasks, deliverables and schedules for every operational and policy area of the agency.

The agency has also set up monthly tracking systems for our programs with minority and female owned businesses, as well as for subcontractor pre-qualification systems. This year, PHA awarded 32% of our contract dollars (over \$71 million) to minority and female owned businesses.

PHA's legal victories in the area of compliance have saved millions of dollars, now and in the future, with some critical legal precedents in the areas of eviction, utility allowances, lead-based paint, breach of lease, and rent calculations.

Total PHA contract dollars for 2004.

Percentage of PHA contract dollars awarded to minority and female owned businesses.



An Exceptional Business

Housing Choice Voucher Program

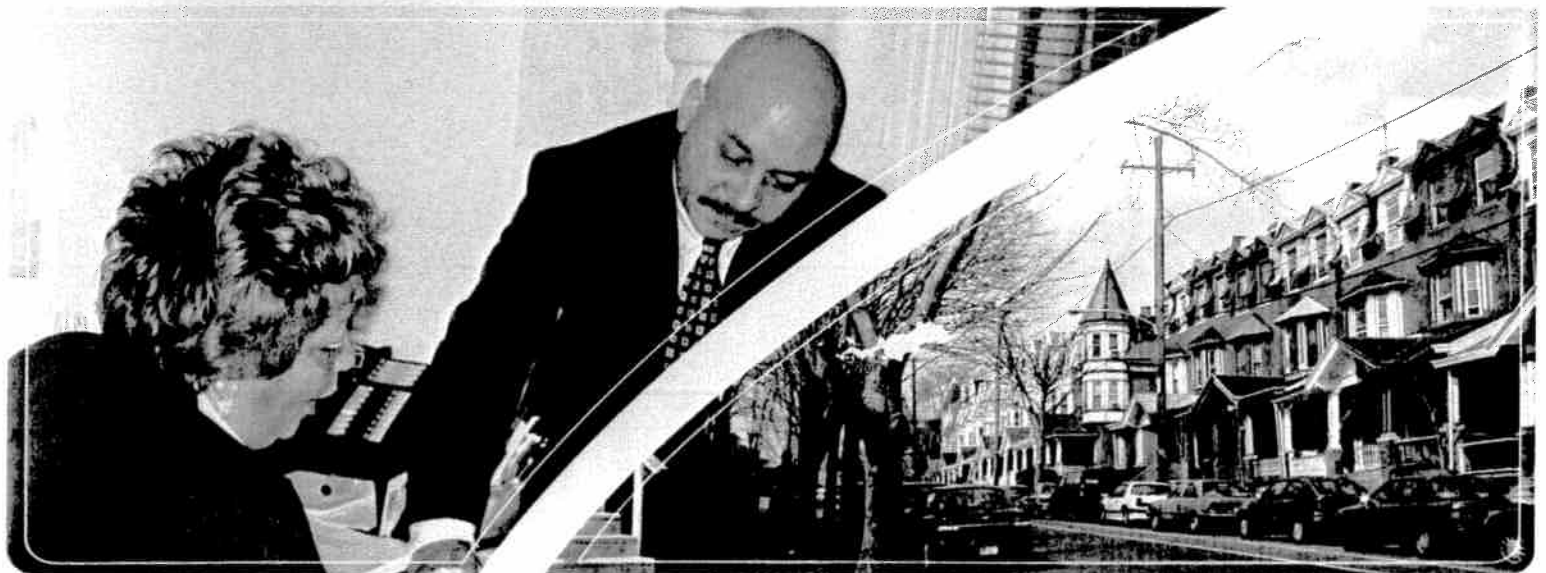
PHA's Housing Choice Voucher (HCV) Program continues to drive residents toward self-sufficiency, helping to stabilize communities throughout Philadelphia.

Our HCV Program provides affordable housing throughout the city to more than 48,000 residents. PHA believes that continuing this level of success hinges on the stability of the neighborhoods where voucher families live. That's why we have designed our program to move clients to work.

As a housing authority with the Moving to Work designation, we enjoy the flexibility to make changes in the program that balance the needs of families with the needs of homeowners who live in the same community. Ultimately, both our customers and their neighbors want the same thing: a clean, safe neighborhood where all can thrive. PHA's investment in the HCV Program fills that mutual need.

PHA made some important changes to HCV in the past year:

- ▶ We introduced a new quality control initiative to improve the accuracy of PHA transactions and the quality of customer service for voucher holders.
- ▶ We shifted our emphasis to stimulating small and mid-scale neighborhood revitalization efforts, using voucher funding to help qualified partners repair, rehabilitate or build new homes.
- ▶ PHA launched the Community Partners Program, working with 14 agencies citywide to offer education, life skills and job counseling to voucher holders. The services help HCV participants under PHA's seven-year time limit to achieve self-sufficiency goals before their benefits expire.
- ▶ PHA has implemented a two-year recertification program (changed from the normal one-year) to reduce administrative burdens and to promote economic self-sufficiency.



2004 Awards

PHA's successes in the past year have earned acclaim by both the public and private sectors.

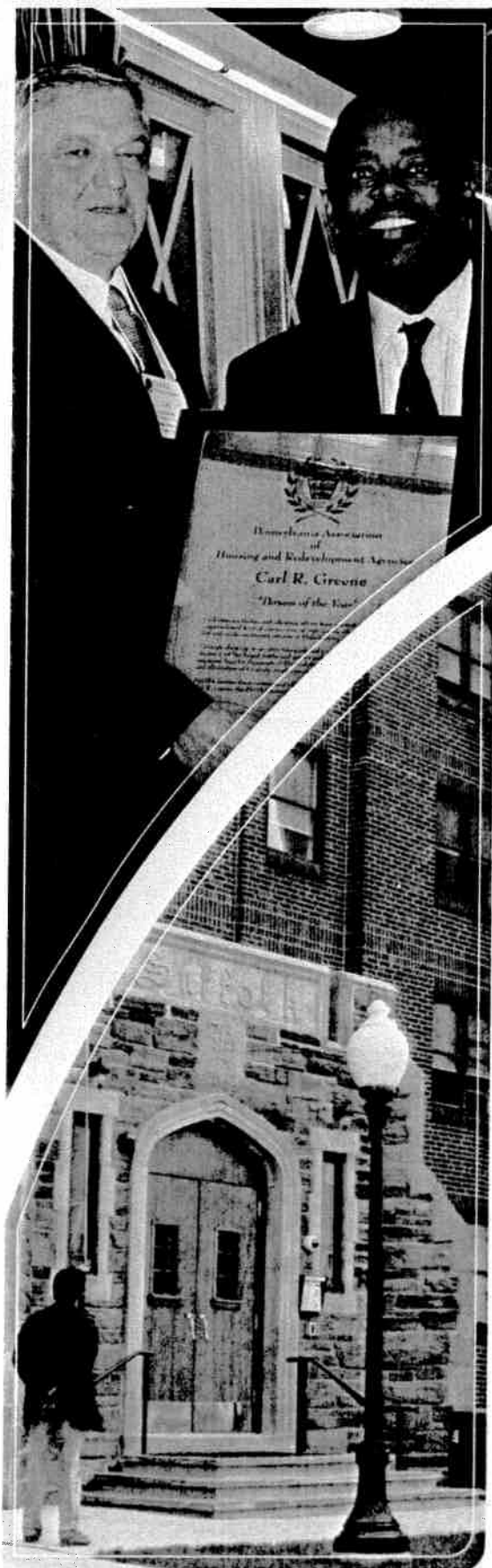
The Preservation Alliance for Greater Philadelphia honored PHA and its development team with a Grand Jury Award for the rehabilitation and historic preservation of Suffolk Manor Apartments in North Philadelphia. PHA received special designation from the Commonwealth of Pennsylvania and the National Park Service making the building a historical site, and received historic tax credits to fund the rehabilitation.

The Pennsylvania Association of Housing and Redevelopment Agencies (PAHRA) named PHA Executive Director Carl Greene Person of the Year — the organization's top honor. The award plaque reads: "Carl Greene's tireless and relentless efforts have resulted in an unprecedented level of construction of high quality, affordable housing for low and modest-income citizens in Philadelphia."

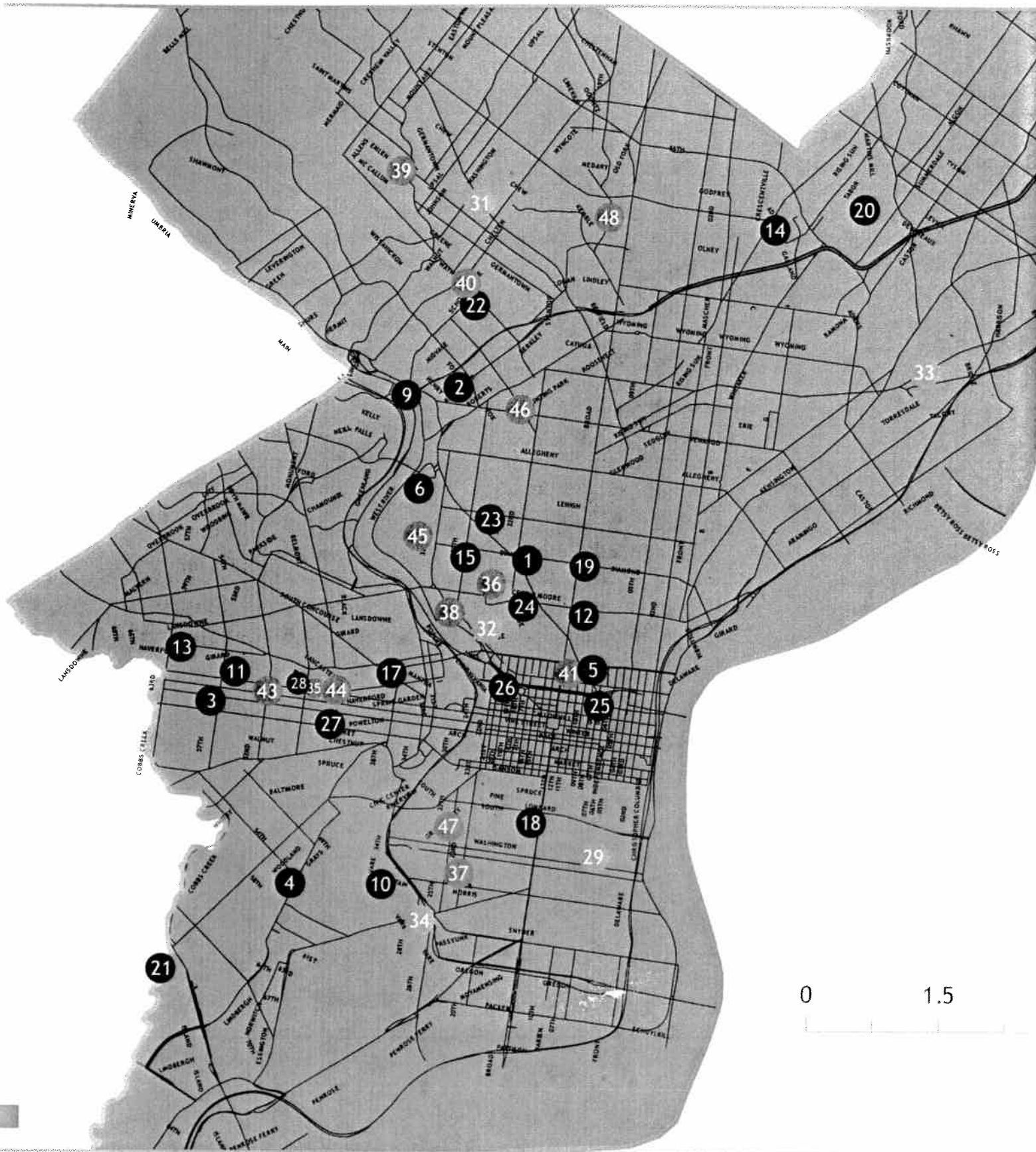
PAHRA also awarded PHA two Certificates of Achievement: one for the new homes at Cambridge Plaza Phase I in North Philadelphia, and another for the redevelopment of Mt. Olivet Apartments in West Philadelphia.

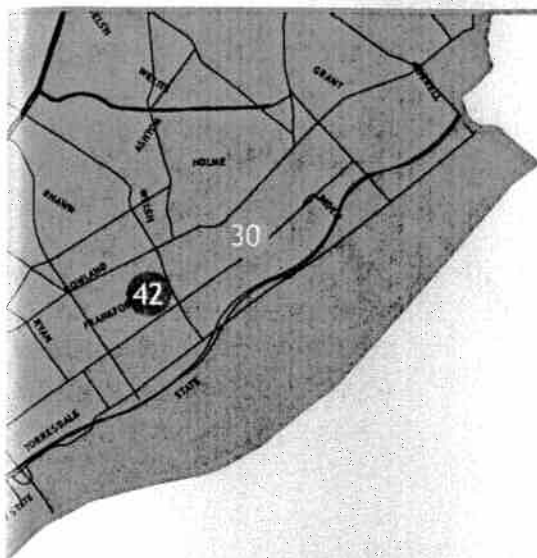
PHA won Honorable Mention by the 10th Annual *Multifamily Executive Awards* in the Marketing and Advertising category for its initiative, "Building Beyond Expectations." This national real estate magazine recognized the campaign for emphasizing PHA's "commitment to excellence, whether rebuilding blighted neighborhoods or restructuring its Housing Choice Voucher program." The magazine also stated: "The slogan lets the public know that the authority is committed to improving Philadelphia through quality developments and programs."

Suffolk Manor Apartments,
North Philadelphia



PHA Developments





Family Developments

Name	Address	Phone #
1.8 Diamonds(AME)	2028 W. Norris St.,19121	215-236-6000
2.Abbottsford Homes	3226 McMichael St., 19129	215-844-3300
3.Arch Homes	56th & Arch St.,19139	215-684-5570
4.Bartram Village	5404 Gibson Dr., 19143	215-684-4973
5.Cambridge(LP)	920 Parrish St.,19123	215-684-4634
Richard Allen II	850 N. 9th St., 19123	215-684-2324
Richard Allen III(AME)	920 Parrish St., 19123	215-684-4630
6.Cecil B. Moore Homes	34th & Huntington St. 19132	215-684-1091
7.Champlost Homes	5963 N. 20th St., 19138	215-684-2688
8.Fairhill Apts.	2443 N. 10th St.,19133	215-684-8136
9.Falls Ridge(AME)	3410 E. Falls Lane, 19129	215-684-4116
10.GGFE (AME)	31st St & Morris, 19145	215-684-4116
11.Haddington Homes	5520 Vine St. 19139	215-684-5570
12.Harrison Plaza	1350 N. 10th St., 19122	215-684-4644
13.Haverford Homes	59th & 50th Ave.,19151	215-684-5570
14.Hill Creek	528 Adams Ave, 19120	215-684-5622
15.James W. Johnson	2500 W. Norris St., 19121	215-684-4715
16.Lucien E. Blackwell	755 N. Markoe St., 19104	215-684-2715
17.Mantua Hall	3500 Fairmount Ave., 19104	215-684-4900
18.Martin Luther King	770 S. 13th St.,19146	215-545-1334
19.Norris Apts.	2037 N. 11th St., 19122	215-684-4670
20.Oxford Village	6150 Algon Ave., 19111	215-684-5997
21.Paschall Apts.	7212 Woodland Ave., 19142	215-684-5921
22.Queen Lane Apts	301 W. Queen Ln., 19144	215-684-5650
23.Raymond Rosen(AME)	2301 W. Edgely St.,19145	215-684-4701
24.Sen. Herbert Arlene	18th & Jefferson St.,19122	215-684-1310
25.Spring Garden Apts.	715 Brandywine St.,19123	215-684-5393
26.Spring Garden(AME)	1901 Spring Garden St.,19130	215-684-5393
27.Westpark Apts.	300 N. Busti St., 19104	215-684-4950
28.Westpark Plaza	4600 Fairmount Ave., 19139	215-684-5560

Family & Seniors Developments

Name	Address	Phone
29.Courtyard Apts(AME)	1021 S. 4th St.,19147	215-551-7091
30.Liddonfield Homes	8800 Jackson Dr.,19136	215-684-5936
31.Morton Homes	5920 Morton St.,19144	215-684-5885
32.Norman Blumberg Apts.	2311 W. Jefferson St.,19121	215-684-5550/5552
33.Whitehall Apts	1923 Margaret St.,19124	215-684-5992
34.Wilson Park	2500 Jackson St.,19145	215-684-4808

Seniors Developments

Name	Address	Phone
35.Angela Court	4401 Haverford Ave., 19104	215-348-8800
36.Bentley Hall	1710 Croskey St., 19121	215-684-4656
37.Cassie L. Holly	2100 Dickinson St.,19146	215-684-4808
38.Collegeview	2732 W. Thompson St.,19121	215-684-1100
39.Emlen Arms	6733 Emlen St.,19119	215-684-5893
40.Germantown House	5750 Wayne Ave.,19123	215-684-5881
41.Gladys B. Jacobs	1100 Fairmount Ave.,19144	215-684-2325
42.Holmecrest Homes	8133 Erdrick Pl.,19136	215-684-5930
43.Katie B. Jackson	400 N. 50th St.,19139	215-684-5560
44.Mount Olivet (AME)	642 N. 41 St.,19139	215-684-8037
45.Parkview	33rd & Diamond St.,19121	215-684-1100
46.Plymouth Hall	2207 Venango St.,19140	215-684-5019
47.St. Anthony's (AME)	2309-33 Carpenter St.,19146	215-684-0555
48.Suffolk Manor(AME)	1416-24 Clearview St.,19141	215-684-2222

6 Miles

LP=Limited Partnership
AME=Alternative Managed Entity

Taking the "Initiative"

The Quality Initiative

If there is one word that permeates throughout PHA it's quality. In 2004, we launched a program to make a great product even better - a program that says the most efficient way to do business is to do the job right the first time.

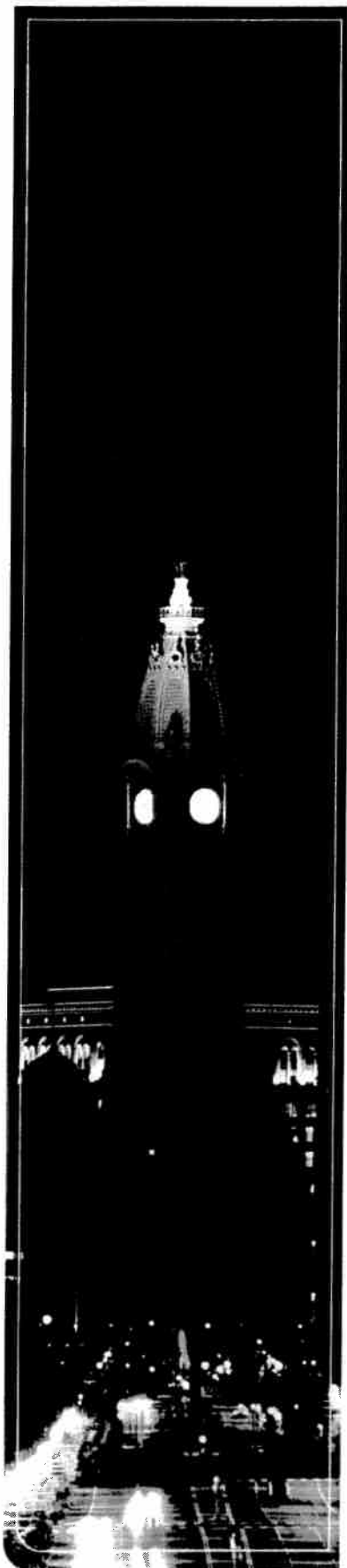
We call the program The Quality Initiative.

- ▶ "Quality" in our Housing Choice Voucher Program includes the development and implementation of a new procedures manual to standardize operations at all remote offices.
- ▶ Training focuses on teamwork and individual leadership to achieve our goal of Faultless Files.
- ▶ Leadership training urges staff to take personal initiative.
- ▶ Teamwork seminars encourage employees to help each other and the agency to reach common goals.

Plans are in place to expand the program beyond HCV to all departments, with the intent of striving for continuous improvement.

The HCV Quality Initiative includes:

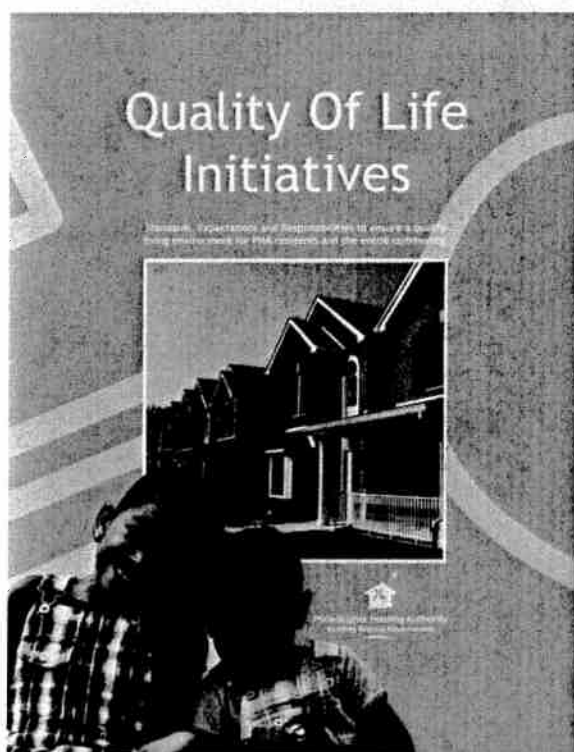
- Tools and systems to help staff improve job performance.
- Recognition for superior performance.
- Increased focus on Quality customer service.
- Improved communication between staff and management.
- Greater visibility to enhance public perception.





PHA Quality Initiative

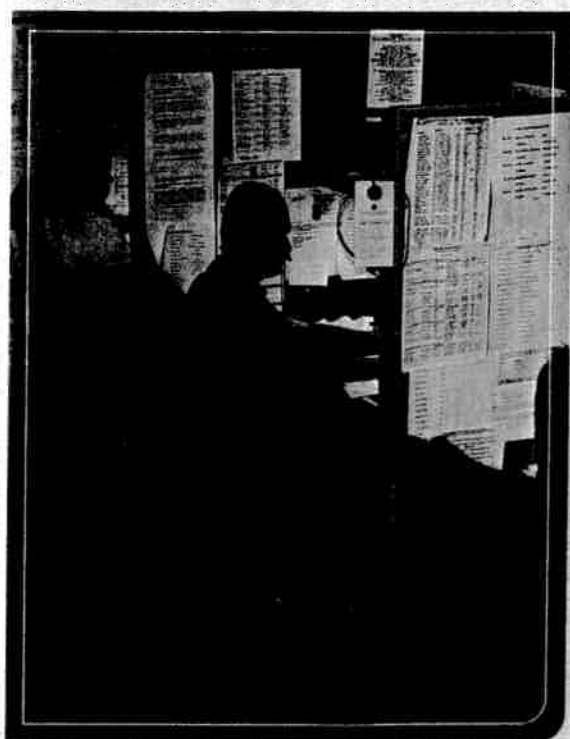
Reaching Higher Expectations



Job Performance



Customer Service



► **Q: What's up with this program?**

A: PHA's new *Quality Initiative* is about developing the tools necessary for us to do our jobs right the first time every time.

► **Q: Why should I care?**

A: New standardized procedures, improved communications and recognition for superior performance will make our workplace more productive and more enjoyable.

► **Q: How do we make a difference?**

- A: • We give children a chance for a brighter future
- We strengthen families
- We revitalize city neighborhoods

Focus on Residents

Resident Programs

PHA believes that investing in neighborhoods and improving the quality of life go hand in hand. We accomplish this through our sponsorship and operation of numerous programs. Our key partnerships include local banks, Temple University, Penn State, Philadelphia Health Institute, the Department of Human Services, the Philadelphia Corporation For Aging and the Philadelphia Workforce Development Corporation.

During the past year:

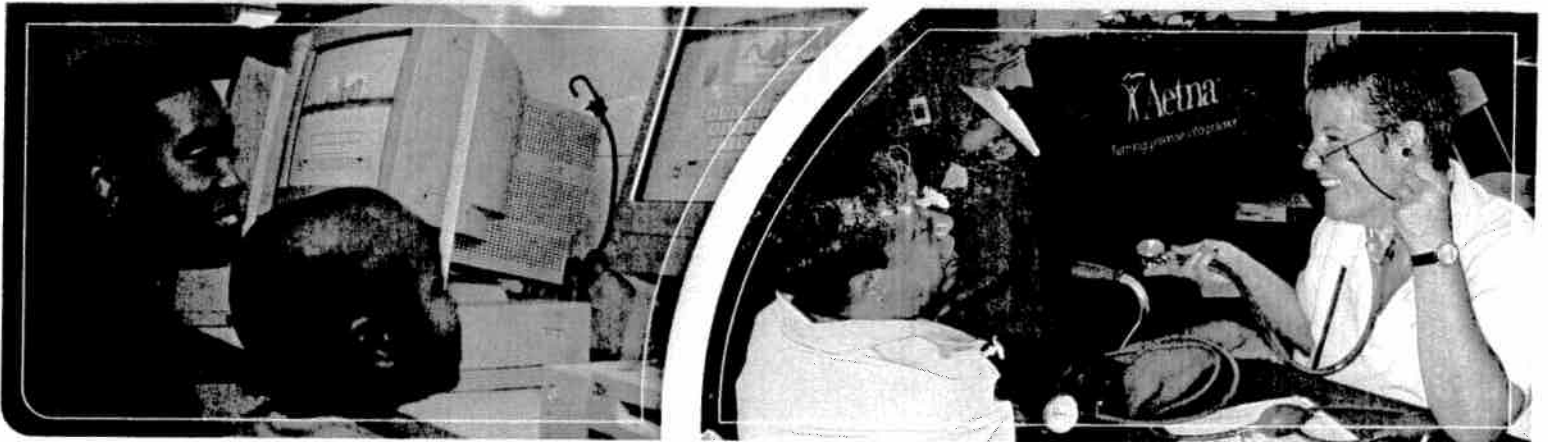
- ▶ Ninety residents graduated from the Professional Healthcare Institute's Certified Nursing Assistants program. More than 95 percent of the graduates (700+) from the program have found employment since it first launched. PHA provides similar career development programs for work in Pharmacy, Medical Billing, Hospitality, Child Care and Certified Food Handling.
- ▶ More than 3,000 seniors received help at PHA Senior Centers.
- ▶ We opened a new state-of-the-art computer center at Johnson Homes.

Ongoing programs through PHA partnerships provide meaningful services to residents:

- ▶ PHA works aggressively to provide employment opportunities in such areas as Housing Operations, Head Start, Senior Services, and the Summer Food Program for Children.
- ▶ The Skills for Life Youth Program prepares low-income teenagers for graduation and the labor force, while Team Children, a non-profit group, works with PHA to donate computers to children of low-income residents.
- ▶ PHA Residents can create a plan for their future and set financial goals at The Family Self Sufficiency Center. They also learn essential skills in the Homeownership and Housing Counseling Programs.
- ▶ Entrepreneurs receive hands-on information from the Resident Owned Business Development Assistance Programs.
- ▶ Site-Based Computer Labs bridge the digital divide for low-income residents, while Site-Based Health Clinics are available to keep residents' health in check

PHA delivers computer education to children in Head Start through a mobile program.

Opening Day of Senior Summit 2004



Customer Satisfaction

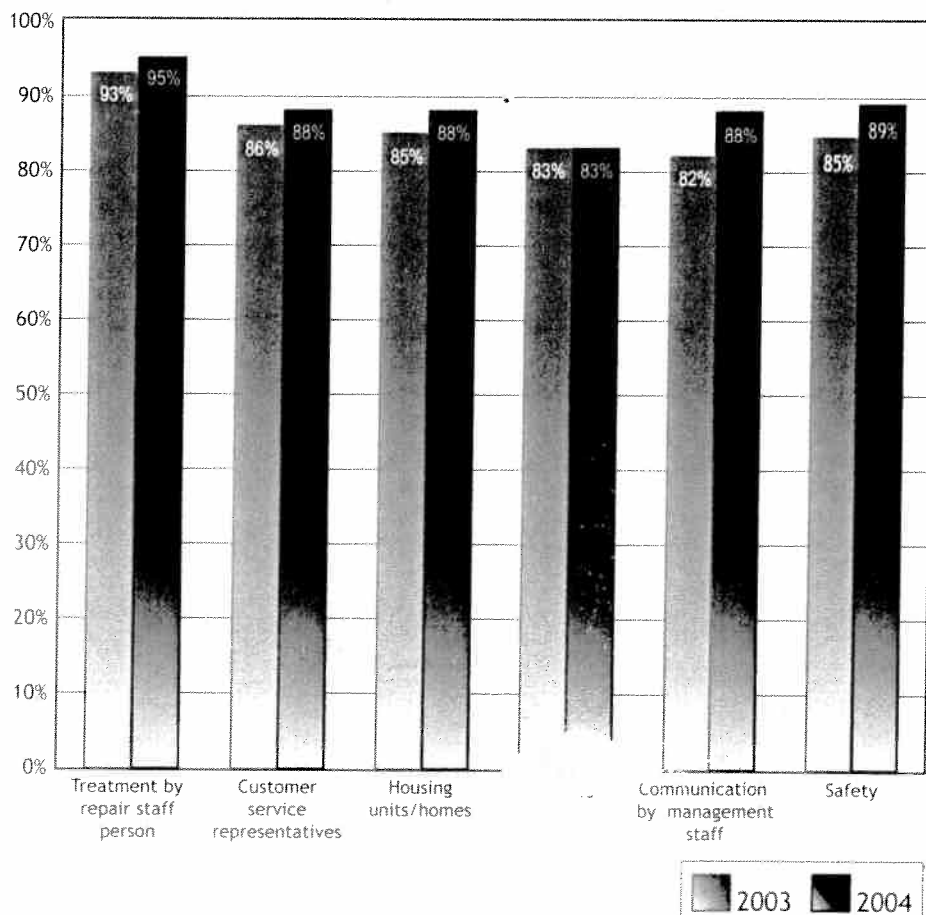
The results speak for themselves

One of the best ways of gauging the success of our investments is by talking to our residents. PHA evaluates customer service and satisfaction by surveying residents through an independent company.

The residents responding to our poll this year tell us they are satisfied or very satisfied in the following key areas:

- 89% satisfaction with safety in their home
- 88% satisfaction with customer service representatives
- 88% satisfaction with their homes
- 83% satisfaction with repairs

Residents also reported that PHA is providing excellent management that is responsive to their concerns and supportive of resident organizations, and that they would recommend their development to a friend or family member seeking affordable housing.



Customer Input

By and for Residents

In addition to surveying residents, PHA offers regular channels of communication for voicing concerns, raising issues and sharing information. These outlets also inform residents about news and services that affect their daily lives.

PHA's Resident Newspaper

In January 2004, PHA launched *The PHA Experience*. The newspaper highlights resident success stories, promotes tenant-training programs and lists upcoming workshops and activities. PHA is holding classes to instruct residents in journalism, advertising sales and other skills related to producing a newspaper. *The PHA Experience* is a publication for, by and about our 80,000 customers.

PHA's Resident Cable TV

PHA continues to operate a resident cable TV channel, providing announcements on resident opportunities and activities as well as airing taped replays of relevant PHA events. This channel is available at all PHA Conventional sites.

Focus on Residents

Resident Programs

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PHA delivers computer education to children in Head Start through a mobile program.

Opening Day of Senior Summit 2004



More than 200 children took part in our Head Start and Child Care early childhood programs.

More than 50 percent (170+) of PHA residents graduating from the Pre-Apprenticeship Program have found jobs in the building trades, while another 30 percent have secured jobs in other fields since the program began.



Safety

PHA safeguards its residents and its properties with a comprehensive approach to improving community security at our developments.

The PHA Police Department (PHAPD) operates an extensive site-based, community-policing program that has reduced crime at PHA sites by emphasizing prevention, conflict resolution, resident involvement and community partnerships.

Serious crime has dropped noticeably at five major locations since 1998. In 2004, the number of PHA residents reporting they felt "very safe" in their homes nearly doubled from 22% to 40%.

In the past year, the PHA Police Department Detective Division boosted support to the Housing Choice Voucher (HCV) Program and Lease Enforcement and Compliance Unit.

- The Lease Enforcement and Compliance Unit received 174 complaints resulting in 45 evictions with another 52 pending.
- The PHAPD conducted 16,773 criminal history checks for both HCV and Conventional Sites. As a result, 141 individuals were denied admittance due to their criminal history.
- The Housing Choice Voucher Investigations unit investigated 881 cases, resulting in 262 terminations

Other accomplishments include:

- ▶ Implemented Quality of Life meetings to involve all stakeholders in developing crime response and prevention strategies at PHA sites
- ▶ Continued partnerships with Philadelphia Police Department, Narcotics Task Force, DEA and HUD-Office of Inspector General to ensure coordination of resources and effort
- ▶ Established and supported the Police Advisory Board in partnership with Tenant Support Services, Inc.
- ▶ Conducted 164 community outreach unit site visits
- ▶ Implemented crime awareness programs for children - including DARE/GREAT and Explorers - at elementary schools attended by PHA residents

Financials

Combined Balance Sheet: March 31, 2004

ASSETS

Current Assets:

Cash	\$90,578,631
Investments	19,009,167
Restricted cash and investments	129,053,604
Receivables, net:	
Tenants	3,556,255
Due from other governments	14,207,254
Due from other funds	52,499,719
Current portion of long-term mortgages receivable	11,654,243
Other current assets	5,111,132
Total current assets	325,670,005

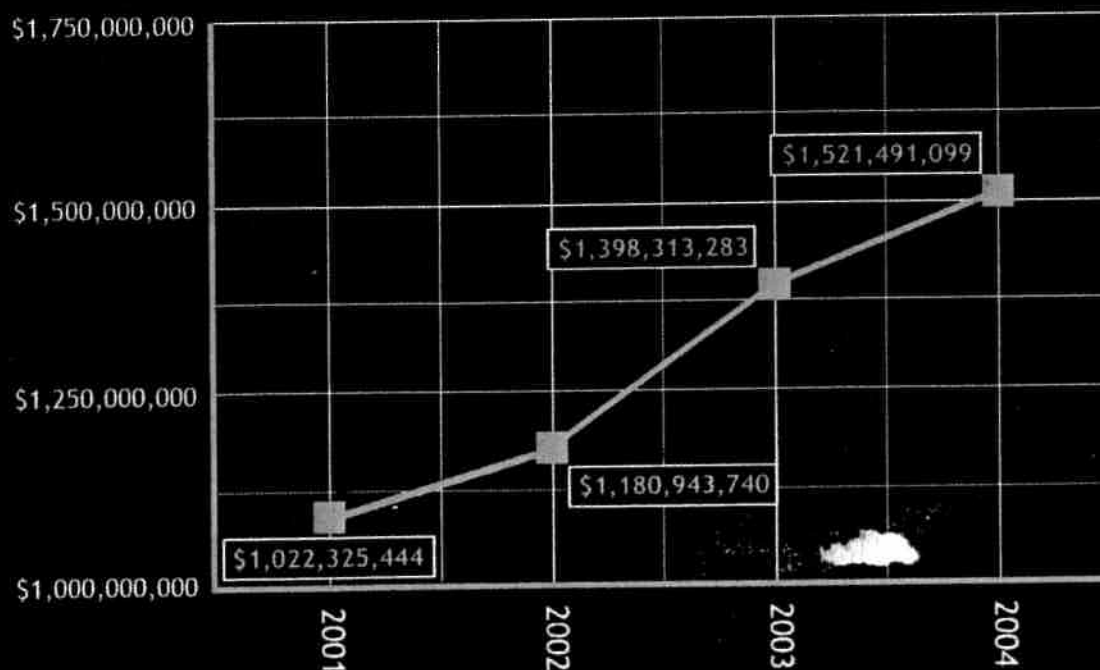
Noncurrent assets:

Mortgages receivable	\$103,380,322
Capital assets, net of depreciation	1,084,006,936
Other assets	8,433,836
Total noncurrent assets	1,195,821,094

TOTAL ASSETS

\$1,521,491,099

Total Assets growth over the past 5 years



LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$46,872,878
Due to HUD	3,298,828
Due to other funds	52,499,719
Due to other governments	518,915
Compensated absences	5,207,427
Trust and deposits	803,012
Deferred credits and other liabilities	7,222,419
Current portion of long-term debt	31,633,626

Total current liabilities	148,056,824
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Noncurrent liabilities:

Compensated absences	\$3,471,619
Long-term debt	245,838,589
Other long-term liabilities	15,193,295

Total noncurrent liabilities	264,503,503
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TOTAL LIABILITIES	412,560,327
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Net assets:

Invested in capital assets	931,087,646
Restricted	2,875,141
Unrestricted	174,967,985

Total net assets	1,108,930,772
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TOTAL LIABILITIES AND NET ASSETS	\$1,521,491,099
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Matrix of Bond Allocations and Tax Exempt Housing Tax Credits Allocations Closings from 1999 through 2004

Summary of PHA Activity

1999	PHA's developer partners closed a transaction with one allocation of low-income housing tax credits and historic tax credits which leveraged approximately \$6.6 million in equity.	6,600,000
2000	PHA's developer partners closed 3 transactions including allocations of 1) 9% low-income housing tax credits and 2) tax-exempt bonds and 4% LIHTCs. Through these transactions, approximately \$18.3 million in equity was leveraged.	18,343,640
2001	PHA and its developer partners closed a transaction with one allocation of tax-exempt bonds and 4% LIHTCs. Through this transaction, approximately \$11,400,000 million in equity was leveraged.	11,400,000
2002	PHA and its developer partners closed 5 transactions including 1) allocations of 9% low-income housing tax credits, 2) an allocation of tax-exempt bonds and 4% LIHTCs and 3) PHA Capital Backed Bonds (issued by PHA). Through these transactions approximately \$37.1 million in equity was leveraged.	37,098,307
2003	PHA and its developer partners closed 5 transactions including 1) allocations of 9% low-income housing tax credits, 2) an allocation of tax-exempt bonds and 4% LIHTCs and 3) PHA Capital Backed Bonds (issued by the Redevelopment Authority). Through these transactions, approximately \$28.1 million in equity was leveraged.	28,072,180
2004	PHA and its developer partners anticipate closing 5 transactions all including allocations of 9% low-income housing tax credits. Through these transactions, approximately \$48.7 million in equity will be leveraged.	48,732,248

Closing		HOPE VI	9% LIHTC Allocation from PHFA	4% LIHTC Allocation from PHFA*	Total Equity Raise	Bond Allocation from PHFA	Historic Tax Credits (if applicable)	Non-PHFA Bond Issuance (if applicable)
1999	Spring Garden	no	670,000	n/a	-	-	Total 6.6 mil equity raise lihtc and htc	-
2000	Schuylkill Falls	yes	n/a	n/a	12,400,000	-	-	-
2000	Raymond Rosen	no	n/a	n/a	12,500,000	-	-	-
2000	Martin Luther King I	yes	602,156	n/a	-	-	-	-
2001	St. Anthony	no	n/a	n/a	-	-	-	-
2001	Richard Allen III	yes	n/a	1,357,574	16,400,000	-	-	-
2002	Cambridge I	no	534,248	n/a	-	-	-	-
2002	Martin Luther King III	yes	695,128	n/a	-	-	-	-
2002	Suffolk Manor	no	849,747	n/a	-	3,948,214	-	-
2002	Tasker I	no	n/a	1,818,000	33,000,000	-	-	-
								96,000,000
2002, 2003	Governmental Purpose Bonds	no	n/a	n/a	-	-	-	-
2003	Tasker II/III	no	n/a	1,440,000	21,000,000	-	-	-
2003	Suffolk Additional Credits	no	371,143	n/a	-	-	-	-
2003	Cambridge II	no	723,000	n/a	-	-	-	-
2003	Mt. Olivet	no	823,000	n/a	-	-	-	-
2004	Cambridge III	no	742,927	n/a	-	-	-	-
2004	Mill Creek I Onsite Rental	yes	1,185,685	n/a	-	-	-	-
2004	Mill Creek I Additional Credits	yes	238,279	n/a	-	-	-	-
2004	Mill Creek II Offsite Rental	yes	1,563,988	n/a	-	-	-	-
2004	Germantown House	no	1,195,000	n/a	-	-	-	-
2004	Martin Luther King IV	yes	599,412	n/a	-	-	-	-
Total			10,123,713	4,615,574	95,300,000	3,948,214		96,000,000

*Please note that the actual 4% LIHTC Allocations are determined after construction completion and cost certification

Therefore estimates of the 4% LIHTC allocations are estimates for Tasker I and II

**Unless otherwise noted, it is assumed that PHA acted as its own developer.

Executive Director

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Board of Commissioners

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Debra L. Brady

Patrick J. Eiding

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Building Beyond Expectations

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